

Message Text

CONFIDENTIAL

PAGE 01 REYKJA 00595 050144Z
ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 CIAE-00 COME-00 DODE-00
DOTE-00 FMC-01 INR-10 NSAE-00 CG-00 DLOS-09
OES-07 /048 W
-----022497 050148Z /66/13

R 031651Z MAY 78
FM AMEMBASSY REYKJAVIK
TO SECSTATE WASHDC 8364

C O N F I D E N T I A L REYKJAVIK 0595

C O R R E C T E D C O P Y (TEXT)

E.O. 11652: GDS
TAGS: EWWT, MARR, IC, US
SUBJECT: ICELAND CARGO SERVICE

FOLLOWING MSG SENT EMBASSY FROM COMICEDEFOR REPEATED FOR YOUR
INFO QTE

R 011700Z MAY 78
FM COMICEDEFOR KEFLAVIK IC
TO RUCBSAA/CINCLANT FORFOLK VA
RULSSDA/COMSC WASHINGTON DC
INFO RUCBSAA/CINCLANTFLT NORFOLK VA
RUEOALL/COMNAVIAIRLANT NORFOLK VA
RUDISDF/AMEMBASSY REYKJAVIK IC
ZEN/NAVSTA KEFLAVIK IC

C O N F I D E N T I A L//N04610//
SUBJ: ICELAND CARGO SERVICE
REF: (A) COMSC 181730Z APR 78

(B) NAVSTA KEFLAVIK 011230Z MAY 78 (NOTAL)

(C) AMEMBASSY REYKJAVIK 271624Z APR 78 (NOTAL)

1. (U) REF A INDICATED THAT MSC IS PLANNING TO ISSUE A REQUEST
FOR PROPOSAL TO EIMSKIP FOR SURFACE MOVEMENT OF DEFENSE FORCE
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CARGO AND REQUESTED ESTIMATES OF AMOUNTS OF CARGO TO BE MOVED.
REF (B) IS NAVSTA KEF ESTIMATE OF AMOUNT OF NORTHBOUND AND
SOUTHBOUND CARGO TO BE MOVED AND INDICATES THAT SINCE THE
INTRODUCTION OF BIFROST (EIMSKIP COMPETITOR) IN THE MOVEMENT
OF DEFENSE FORCE CARGO A HEALTHY PERIOD OF COMPETITION HAS
EXISTED AND THAT SUBSTANTIAL PRICE BENEFITS HAVE BEEN
REALIZED FROM EIMSKIP. REF C ADVISES THAT A REPRESENTATIVE

OF BIFROST INTENDS TO PAY COURTESY CALL ON COMSC ON 4 MAY.

2. (C) THE EFFECT OF REF (A), IF INITIATED, WOULD BE TANTAMOUNT TO SOLE SOURCE PROCUREMENT ACTIVITY AND IN THE OPINION OF THIS HEADQUARTERS WOULD BE AN UNWISE ACTION WHICH WOULD COUNTER-ACT PROGRESS MADE IN RECENT MONTHS TO REALIZE PRICE AND SERVICE BENEFITS WITH EIMSKIP. SIMILAR BENEFITS HAVE BEEN REALIZED IN OTHER PROCUREMENT AREAS WHERE MULTIPLE CONTRACTORS ARE USED TO PROVIDE A SERVICE TO THE DEFENSE FORCE.

3. (C) PROCURMENT ACTIONS WITH ICELAND PRIME CONTRACTORS AND WITH OLIUFELAGID H.F. (ESSO OF ICELAND), WHICH IN EFFECT ARE SOLE SOURCE PROCUREMENTS, HAVE ON OCCASION RESULTED IN MONOPOLISTIC ACTIONS ON THE PART OF THE CONTRACTORS, AND HAS CONTRIBUTED SIGNIFICANTLY TO A HIGHER PRICE AND SERVICE TO THE DEFENSE FORCE. CONTRACTORS IN THESE POSITIONS FREQUENTLY APPLY POLITICAL PRESSURE IN ORDER TO ACHIEVE OR MAINTAIN THEIR MONOPOLY STATUS.

4. (C) IF IS REQUESTED THAT MSC SERIOUSLY REEVALUATE THE ACTIONS INDICATED BY REF A AND CONTINUE THE MOVEMENT OF DEFENSE FORCE CARGO ON STANDARD TARIFF AGREEMENTS.

GDS-84 UNQTE

BLAKE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CARGO HANDLING, NEGOTIATIONS, CONTRACTS, MILITARY BASES
Control Number: n/a
Copy: SINGLE
Draft Date: 03 may 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
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Executive Order: GS
Errors: N/A
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Format: TEL
From: REYKJAVIK
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1978/newtext/t19780597/aaaadewf.tel
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Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 472e23a5-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 25 aug 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2803719
Secure: OPEN
Status: NATIVE
Subject: ICELAND CARGO SERVICE FOLLOWING MSG SENT EMBASSY FROM COMICEDEFOR REPEATED FOR YOUR INFO QTE
TAGS: EWWT, MARR, IC, US
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/472e23a5-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
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